

AR53



**ANNUAL
REPORT
1962**

Massey-Ferguson Limited



FRONT COVER World sugar cane production of 400 million tons, only 3 percent of which is grown in Australia where this M-F Cane Harvester was engineered, manufactured and is operating, places sugar cane among the last major world crops to be mechanized. Already creating real interest in Central and South America, Ceylon, and the Caribbean, this machine, handling 12 to 15 tons per hour, is the only one in commercial use which cuts, tops, chops and loads in one continuous operation.

ABOVE Farmstead mechanization is growing rapidly, not only in North America but in many overseas countries. One man and his M-F tractor can now feed hundreds of beef cattle efficiently and economically **BELOW** Through Massey-Ferguson-Butler Limited in the United Kingdom, equally controlled by M-F and Butler Manufacturing Company, Kansas, U.S.A., the company offers these 60 ton capacity grain bins for the control of moisture in grain and the mechanical delivery, storing and drying of crops.



Feb
2.
1963

Massey-Ferguson Limited

200 UNIVERSITY AVE., TORONTO 1, CANADA

DIRECTORS

***W. Eric Phillips**

Chairman of the Board and Chief Executive Officer

***E. P. Taylor**

Chairman, Executive Committee

***Hon. G. Peter Campbell, Q.C.**

Deputy Chairman, Executive Committee

The Marquess of Abergavenny

Henry Borden, Q.C.

H. J. Carmichael

Lord Crathorne

Hon. Leslie M. Frost, Q.C.

Charles L. Gundy

Walter Lattman

John D. Leitch

R. W. Main

***John A. McDougald**

John H. Shiner

***Albert A. Thornbrough**

K. C. Tiffany

H. A. Wallace

***Colin W. Webster**

**Member of Executive Committee*

CORPORATE MANAGEMENT

W. Eric Phillips, *Chairman of the Board and Chief Executive Officer*

Albert A. Thornbrough, *President*

J. H. Shiner
Vice President Marketing

K. C. Tiffany
Vice President Finance

H. A. Wallace
Vice President Manufacturing

J. A. Belford
*Vice President
Personnel and Industrial Relations*

J. J. Jaeger
*Vice President
Engineering*

J. G. Staiger
*Vice President
Administration*

J. W. Beith
*Director
Special Operations*

J. J. Chluski
*Director Planning and
Procurement*

H. G. Kettle
Director Public Relations

H. A. R. Powell
*Managing Director
Massey-Ferguson Holdings Limited*

R. W. Main
Secretary

J. E. Zimmerman
Comptroller

OPERATIONS MANAGEMENT

INTERNATIONAL

W. Lattman
*President, Massey-Ferguson
International Corporation*

EXPORT

W. W. Mawhinney
*Vice President and Managing
Director, Massey-Ferguson (Export)
Limited*

AUSTRALIAN

H. P. Weber
*Managing Director
Massey-Ferguson (Australia) Limited*

FRENCH

L. R. de Rosen
*Président-Directeur Général
Massey-Ferguson S.A.*

GERMAN

R. A. Diez
*General Manager
Massey-Ferguson G.m.b.H.*

NORTH AMERICAN

D. A. Coape-Arnold
*Vice President and General Manager
President, Massey-Ferguson Inc.*

UNITED KINGDOM

G. A. Hunt
*Managing Director
Massey-Ferguson (United Kingdom)
Limited*

PERKINS

M. I. Prichard
*Managing Director
F. Perkins Limited*

SPECIAL OPERATIONS

BRAZIL

J. E. Williams
*Managing Director
Massey-Ferguson do Brasil S.A.*

ITALY

Dr. F. Fadda
*General Manager
Landini S.p.A.
Massey-Ferguson Italiana S.p.A.*

SOUTH AFRICA

Dr. L. B. Knoll
*Managing Director
Massey-Ferguson (South Africa) Limited*

TRANSFER AGENTS AND REGISTRARS

PREFERRED SHARES

Toronto, Montreal, Winnipeg and Vancouver
Halifax
London, England

TRANSFER AGENTS

Montreal Trust Company
Montreal Trust Company
The British Empire Trust Company, Limited

REGISTRARS

Crown Trust Company
Canadian Imperial Bank of Commerce
The British Empire Trust Company, Limited

COMMON SHARES

Toronto
Montreal
Vancouver, Winnipeg
Halifax
New York, N.Y.
London, England

TRANSFER AGENTS

National Trust Company Limited
Canada Permanent Toronto General Trust Company
National Trust Company Limited
Canadian Imperial Bank of Commerce
The Canadian Bank of Commerce Trust Company
The British Empire Trust Company, Limited

REGISTRARS

Canada Permanent Toronto General Trust Company
Canadian Imperial Bank of Commerce
National Trust Company Limited
Canadian Imperial Bank of Commerce
The Canadian Bank of Commerce Trust Company
The British Empire Trust Company, Limited

CONSOLIDATED FINANCIAL HIGHLIGHTS

OPERATING SUMMARY (MILLIONS OF DOLLARS)	1962	1961	1960	1959	1958	1957	1956
Net sales.....	\$596.1	\$519.3	\$490.4	\$475.5	\$420.2	\$390.8	\$355.1
Profit before taxes.....	\$ 32.4	\$ 25.2	\$ 19.8	\$ 27.1	\$ 21.7	\$ 0.6	\$ 7.5
Taxes on income.....	(14.3)	(13.1)	(10.5)	(13.3)	(12.1)	(10.3)	(8.5)
Tax credits.....	—	3.1	3.9	7.2	3.4	5.0	4.1
Net income or (loss).....	\$ 18.1	\$ 15.2	\$ 13.2	\$ 21.0	\$ 13.0	\$ (4.7)	\$ 3.1
Additions to fixed assets, including assets of acquired companies.....	\$ 21.6	\$ 25.7	\$ 16.9	\$ 68.9	\$ 16.3	\$ 12.2	\$ 14.7
Depreciation, and amortization of production tooling.....	\$ 20.2	\$ 19.1	\$ 18.8	\$ 12.1	\$ 8.6	\$ 8.4	\$ 7.1
FINANCIAL STATUS (MILLIONS OF DOLLARS)							
Net current assets.....	\$189.7	\$179.4	\$175.6	\$174.8	\$153.5	\$156.4	\$170.3
Long term debt.....	\$ 94.5	\$ 95.8	\$ 98.4	\$100.8	\$ 74.2	\$ 78.0	\$ 78.5
Capital and retained earnings.....	\$222.8	\$210.8	\$200.9	\$193.9	\$153.3	\$145.0	\$154.8
PER COMMON SHARE							
Net income.....	\$ 1.36	\$ 1.13	\$.97	\$ 1.65	\$ 1.25	\$ (.61)	\$.22
Dividends paid.....	40¢	40¢	40¢	40¢	40¢	40¢	50¢
Equity.....	\$15.97	\$15.03	\$14.34	\$13.79	\$13.39	\$12.56	\$13.57
STATISTICAL DATA							
Average number of employees.....	39,806	38,397	35,376	29,955	23,808	21,481	23,232
Number of shareholders.....	40,359	40,089	42,171	41,459	34,024	35,398	34,535
Common shares outstanding (Thousands)	12,269	12,201	12,098	12,076	9,552	9,519	9,519

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

FOR THE YEAR ENDED OCTOBER 31, 1962

Your Directors are pleased to report on the consolidated operations, financial results and condition of your company for the year ended October 31, 1962.

The fiscal year of 1962 was notable in several respects. The far-reaching programs which commenced in 1957 were carried forward with increasingly satisfactory evidence that a strengthening of your company's total activity is now being achieved.

Consolidated sales at \$596.1 million rose to a new record for the sixth consecutive year.

Profit before taxes at \$32.4 million increased \$7.2 million over the previous year. Net income increased to \$18.1 million from \$15.2 million, while earnings per common share were \$1.36 compared with \$1.13 for the fiscal year of 1961.

The cost of goods sold was 78.6 per cent of sales, improved from 79.2 per cent in the previous year. Detailed comments on 1962 operations are presented in the Financial Review beginning on page eight.

The farm equipment industry has historically been vulnerable to unfavourable economic cycles and the uncertainties of weather. A primary objective of your Directors has been to achieve a stabilizing effect on consolidated sales and earnings through world-wide marketing diversification and manufacturing integration.

The considerable progress that has now been made in world market diversification is indicated in the statistics on page twenty on net sales by territories over the seven year period from 1956, and in the chart on page four showing development of sales over the same period in seven major markets — United States, United Kingdom, France, Canada, Germany, Australia and South Africa. It should be noted that our overall market development has progressed to the point

where even our largest single market, the United States, now represents less than one-fourth of our world-wide sales.

Further progress was made during the year in rationalization and integration of our manufacturing facilities. In Canada, a new combine plant is in process of construction at Brantford, Ontario. This plant will be one of the most efficient and modern facilities in the industry. The existing plant in Toronto will continue to be used for the manufacture of hay harvesting machinery and a broadened range of implements.

We currently operate twenty-six factories in nine countries. We are also participating in the farm machinery and diesel engine business in four countries through direct minority investments, and indirectly in several others through technical aid and licensing arrangements.

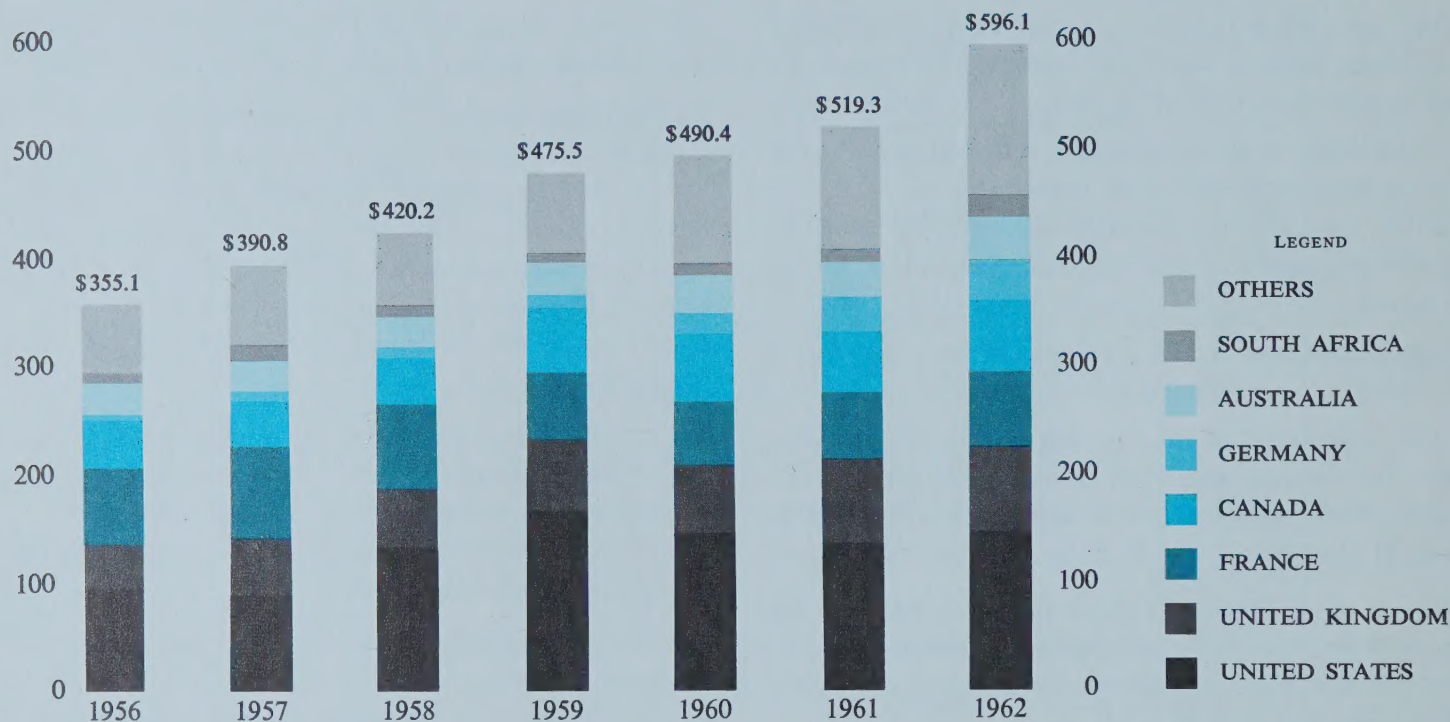
Shifting trade patterns, and the development of major economic entities such as the European Common Market, continue to be the most significant short and long term factors influencing your company's business. It is against this background that we have been proceeding with the organization of our engineering, manufacturing, marketing and financing activities on a world basis rather than a national basis.

At the beginning of the 1960 fiscal year there was established a corporate staff organization, responsible to the President, for the management of Massey-Ferguson's affairs world-wide and formation of marketing and manufacturing entities with their own substantial domestic markets and products for export, under the management of top level national executives.

This new form of management and operating structure, which was further developed during the past year, is enabling your company to participate more fully in the opportunities

NET SALES BY MARKETS

(MILLIONS OF DOLLARS)



afforded by a world market, and to draw upon wide resources of materials, men and money.

The development of new markets and the continued customer acceptance of our products in so many countries is essential for the continued growth of your company. In response to the growing sophistication of demand for farm machinery in both traditional and new markets, substantial investment in market research, engineering and new tooling is being made.

We attach the greatest importance to the new product process — the identification of new product needs, the engineering of these products, their high quality manufacture and their economic distribution. In 1962, for example, some 85 per cent of your Company's sales volume in world

markets was from models and products not in the product line just five years ago.

Agricultural tractor sales in 1962 again represented by far the largest of our product groups. A new multi-power transmission which permits the operator to change speed and power at the flip of a switch was introduced in limited production quantities and selected markets, and contributed to the success of the entire tractor line. A new large tractor, the MF Super 90 was successfully introduced in North American markets. The MF 35, the world's most popular tractor, again found full acceptance. The MF 25 produced in France in growing volume for world distribution is obtaining a satisfactory market percentage in a power class which was not available to us prior to its introduction in 1961.

In keeping with the world-wide trend to fewer but larger farming units, with their resultant requirement for higher speed, higher capacity machinery, a completely new line of grain harvesting machinery has been developed and certain models introduced in selected markets in 1962. Plans have been made for future integration into other major markets on a progressive basis.

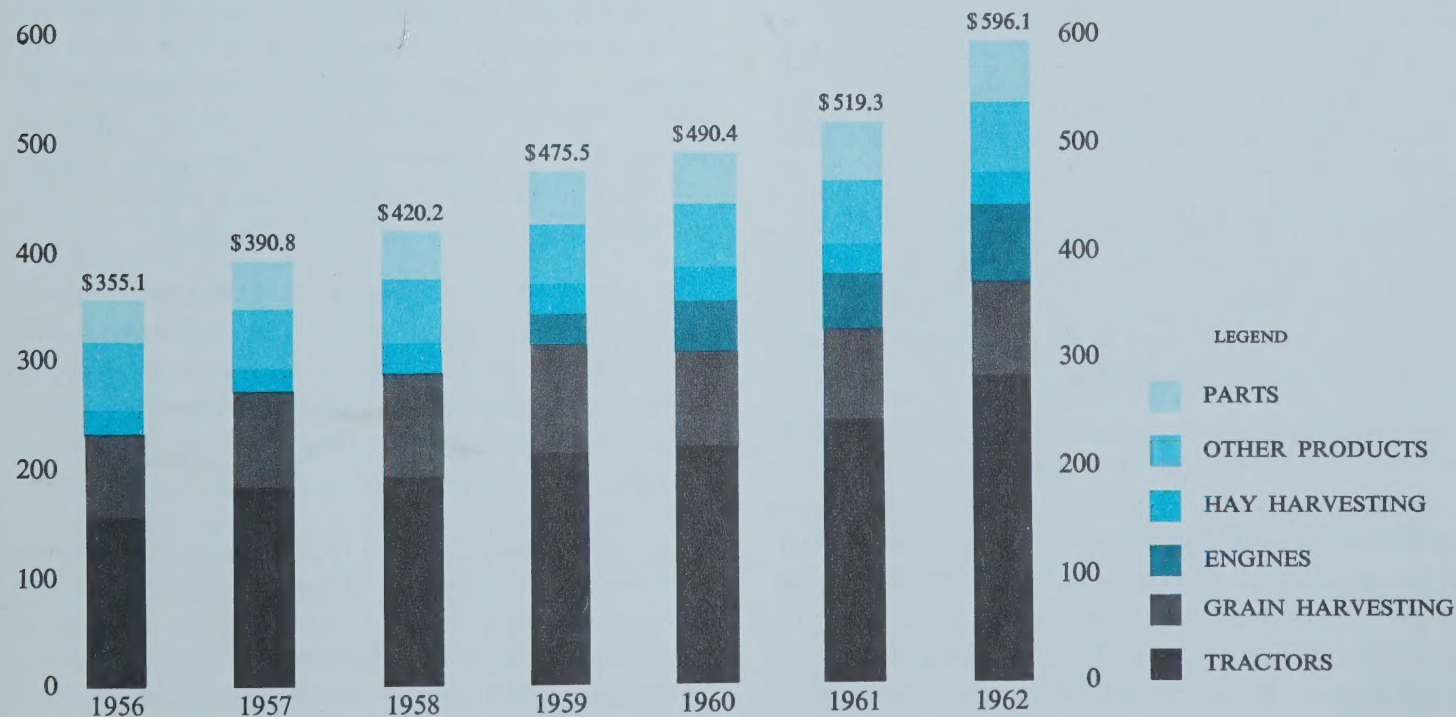
The first of these models, the MF 400 and MF 500 combine harvesters manufactured and marketed initially in the United Kingdom, have had most favourable acceptance. These machines incorporate important engineering innovations and substantially enhanced capacities, while maintaining a less bulky appearance and an improved weight-to-power ratio.

In Germany, production of two new combines, the MF 31 and MF 86, was commenced during the year.

The largest engine in the Perkins line, a six cylinder high speed diesel, is meeting with spreading demand in the automotive industry of both North America and Europe. In recognition of the need to provide for future growth and for new engines at efficient cost levels, expenditures have been authorized for new facilities and tooling which will increase the annual productive capacity of the Perkins group. In England, a new Perkins plant is being constructed at Spennymoor, near the Scottish border, under a government plan for industrializing designated areas of the United Kingdom. In addition, existing facilities at Peterborough are being expanded.

NET SALES BY PRODUCTS

(MILLIONS OF DOLLARS)



Many other important new products were introduced in 1962. Significant among them is a new sugar cane harvester, the MF 15, which has been developed in our Australian operation for world-wide introduction in a number of markets. Sugar cane, one of the few commercial crops not yet fully mechanized, represents a major area of potential growth for your company.

Equally as important as the year to year success of the product line, however, is the stabilizing effect of world-wide marketing diversification and manufacturing integration on our consolidated sales and earnings.

The total demand for agricultural machinery is insufficient in many countries to provide economic production runs. With our knowledge of world markets, we are now moving steadily toward global utilization of manufacturing facilities to minimize these cost problems.

Although there are areas within our control where a better return on shareholders' investment is to be expected, we have made significant progress in this respect as evidenced by our ability to carry consolidated profit before taxes to a ten-year record level despite significant operating losses in France and Brazil.

Considerable management attention has been given to the French company operations, resulting in basic improvements which became evident in the latter months of 1962. In Brazil, start-up problems in the diesel engine operation are being progressively eliminated.

In personnel and industrial relations there was considerable activity during 1962. In those countries where we now negotiate directly with trade unions rather than through an employers' federation, we moved to a stabilization of labour relations and costs by fixed term agreements. Such agreements, in force through 1963, were negotiated in France for employees at Paris and Beauvais. In the United Kingdom, a two-year pact with a moratorium on general wage claims

until 1964 was worked out for manual employees in all Massey-Ferguson and Perkins manufacturing operations in that country. This was the first agreement of its kind to be negotiated in the engineering industry in the United Kingdom.

Major collective agreements in North America were settled during the year extending to the late months of 1964. In the last quarter of 1962, the Italian operation suffered a series of national strikes in the engineering industry. However, as a result of an agreement between the trade unions and the association of employers reached in October it appears that labour relations there will be more stable throughout 1963.

There were no major labour relations developments in other operations during the year.

During the year under review M. Wallace McCutcheon, Q.C., resigned from the Board of Directors, following his appointment as a Senator and as Minister without Portfolio in the Government of Canada. Our warmest thanks are extended to The Honourable Senator McCutcheon for his valued contribution as a Director and as Deputy Chairman of the Executive Committee. The Honourable Senator G. Peter Campbell, Q.C., a Director since 1948, has joined the Executive Committee as Deputy Chairman.

We welcome to the Board Lord Crathorne, formerly Minister of Agriculture for the United Kingdom; The Honourable Leslie M. Frost, Q.C., formerly Premier of the Province of Ontario for twelve years; John D. Leitch, Chairman, Maple Leaf Mills Limited, Toronto; and Kenneth C. Tiffany, Vice President Finance.

Eric W. Young has resigned as a Director of the parent company and as Managing Director of Massey-Ferguson Holdings Limited in the United Kingdom, but will continue to be Deputy Chairman of that company and a Director on the Boards of the operating companies in Europe.

H. A. R. Powell, Assistant to the President resident in the United Kingdom, has been elected Managing Director of Massey-Ferguson Holdings Limited. W. M. Alexander, formerly Patent Counsel, retired in July 1962; his broad experience and special skills over the past 17 years were greatly valued.

At the senior management level the following appointments and changes have taken place during the year. Walter Lattman has been appointed President Massey-Ferguson International Corporation, resident in Zurich, Switzerland; he is also Senior Managing Director, Massey-Ferguson Services N.V. and Chairman of Agrotac A.G. John G. Staiger, formerly Vice President and General Manager North American Operations, has been elected Vice President Administration, Office of the President. G. K. Blair has been appointed Treasurer of the Company. D. A. Coape-Arnold, who joined the Company as a Vice President in May 1962, has been appointed General Manager North American Operations, and President of Massey-Ferguson Inc., Detroit. Leon de Rosen, who joined the Company in July 1962, has been elected Président-Directeur Général of the French company.

On January 14, 1963, your Directors authorized the offering to holders of common shares (other than those resident in the United States or its territories or possessions) of record on January 31, 1963 of the right to subscribe for one additional common share at \$10.00 per share (Canadian funds) for each ten common shares held. It is anticipated that subscription warrants will be mailed to holders of common shares on or about February 15, 1963. It is expected that the rights will be traded on the Toronto, Montreal, Vancouver and London (England) Stock Exchanges until shortly before they expire. Any common shares not taken up under the subscription warrants will be underwritten.

Also announced on January 14, 1963 was the direct sale by Massey-Ferguson Inc., the United States manufacturing

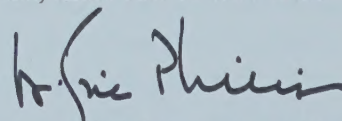
subsidiary, of \$35 million of senior notes due December 1, 1982 to institutional investors in the United States. Proceeds were used to refund the outstanding funded debt of Massey-Ferguson Inc. and the balance was added to the company's working capital.

Your Directors have declared the next quarterly dividend on the common shares, payable March 15, 1963 in an amount of 12½ cents per share, which is an annual rate of 50 cents per share. This represents an increase of 10 cents per share over the annual rate heretofore paid.

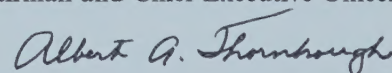
We do not at this time anticipate any major changes in 1963 in the factors which influence our affairs world-wide. Indications are that North America will again experience favourable conditions. In Europe our plans have been drawn to take every possible advantage of the available opportunities within a framework of competitive and economic pressures which will undoubtedly not abate; there continue to be uncertainties as to the course of events in the Common Market. We face the future with confidence in your company's ability to maintain the sales and profit growth pattern which has become evident in recent years.

The progress which continues to be made in effectively carrying forward our long-range programs has been a direct reflection of the enthusiasm, loyalty and hard work of company employees, distributors and dealers throughout the world. We extend our appreciation to all. We record also our special acknowledgment of the contribution which has been made and continues to be made by our valued partners and associates in Brazil, India and South Africa.

On behalf of the Board



Chairman and Chief Executive Officer



Toronto, January 30, 1963

President

FINANCIAL REVIEW

BASIS OF CONSOLIDATION AND EXCHANGE TRANSLATION

The statement of consolidated income presented in this report covers the operations of the Company and all subsidiaries throughout the world. The consolidated balance sheet excludes the assets and liabilities of the two wholly-owned finance companies in North America, Massey-Ferguson Finance Company of Canada Limited and Massey-Ferguson Finance Corporation, a combined statement of assets and liabilities of which is reported separately on page 19. The investment in the finance companies is carried in the consolidated balance sheet at their underlying equity value.

The 1962 statements include the accounts of Massey-Ferguson (South Africa) Limited, approximately 54 per cent of the voting shares of which were in process of being acquired at October 31, 1961. The interest in this company was carried in the 1961 balance sheet as an investment pending completion of the acquisition of Tractor and Farm Tools Limited and its subsidiary companies and South African Farm Implement Manufacturers Limited and related financial reorganization in South Africa. Also included for the first time are the accounts of Société Française des Moteurs Perkins, the remaining 51 per cent of the shares of which were acquired early in the 1962 fiscal year.

As in previous years, the assets, liabilities, income and expenses of United States companies are included in the

consolidated statements on the basis of U.S. \$1=Can. \$1. All other currencies have been translated into Canadian dollars at appropriate rates of exchange. Commencing in the 1963 fiscal year, the Company proposes consolidating U.S. dollar financial statements on the same basis as all other foreign currencies and, at the same time, restating the Canadian dollar value of long term debt at current rates of exchange. The proposed change will result in the aggregate in a favourable adjustment to Retained Earnings.

SALES

Consolidated sales were \$596.1 million in 1962, an increase of 15 per cent over 1961 sales of \$519.3 million. Of the increase, approximately \$30 million resulted from the consolidation of new companies in South Africa and France and new tractor operations in Brazil, and \$17 million from higher exchange rates applicable to the consolidation of sales outside of North America.

As shown on page 20 sales of \$207.9 million in North American markets were 35 per cent of consolidated net sales. The 1962 increase of \$18.7 million in North America or nearly 10 per cent from last year was achieved in buoyant marketing conditions for agricultural machinery. Sales of \$62.8 million in Canada were at a new high in the Company's 115-year history and sales of \$145.1 million in the United States were second only to the 1959 record year. Satisfactory prog-

ress was made in obtaining a growing share in this largest of our world markets estimated at \$1.5 billion. Retail sales by our North American dealers were ahead of wholesale factory shipments and dealer inventories are generally current and well balanced.

Sales of \$268.3 in our European markets were up \$34.1 million or 14 per cent from 1961.

In the United Kingdom unfavourable weather conditions prevailed during the second half of the year and sales were not up to expectations.

In France sales of \$71.7 million were 15 per cent ahead of 1961 sales of \$62.3 million, resulting in part from increased volume of the MF 25 tractor manufactured at Beauvais.

Although industry sales in Germany were down in 1962, MF sales were \$38.9 million, an increase of 14 per cent over 1961 sales of \$34.2 million, and nearly double the 1960 sales level. In this important farm machinery market estimated at about \$550 million annually, our position has improved rapidly in recent years.

Sales in Italy at \$14.5 million were substantially ahead of the 1961 level of \$7.6 million. The new company established in Italy in 1961 to market the MF line of tractors and farm equipment, manufactured largely in the United Kingdom, enjoyed a successful year. The Landini company, manufacturers of wheel and crawler type tractors, progressed satisfactorily.

Sales in Australia were \$35.8 million in 1962, up 15 per cent from 1961. The improvement in 1962 was a reflection of the easing of Government measures imposed during 1961 to curb credit and slow the accelerating pace of the Australian economy.

Sales in South Africa at \$22.0 million were well ahead of 1961 sales of \$11.8 million. Contributing to the sales increase were sales of products manufactured in South Africa by South African Farm Implement Manufacturers Limited under the "Safim" trademark, together with increased sales

of United Kingdom manufactured tractors and farm implements of the Massey-Ferguson line.

In Brazil, in our first year of production, nearly 1,200 diesel tractors were manufactured at Sao Paulo and contributed to sales there of \$10.7 million, up \$4.9 million from 1961 sales of \$5.8 million.

PROFITS

Consolidated profit of \$32.4 million before income taxes increased \$7.2 million from pre-tax earnings of \$25.2 million in 1961. The improvement in profit was achieved despite operating losses in France and Brazil, and despite less favourable exchange adjustments in 1962.

In France losses of approximately \$4 million were sustained in the year, to a substantial extent resulting from abnormally high costs associated with rationalizing and improving our operations there for the future. Conditions of the agricultural economy in France continued to be uncertain during the year but basic improvements in French earnings became evident in the latter months of 1962.

Initial operating losses were sustained by the newly acquired Perkins Company in France. In Brazil, in part due to deteriorating exchange rates applicable to both our tractor and engine manufacturing operations, dollar losses were sustained. The tractor manufacturing company in Brazil is operating satisfactorily and the engine manufacturing operation there now has passed the break-even point in local currency.

Consolidated net income for the year was \$18.1 million, an increase of 19 per cent from net earnings of \$15.2 million in 1961. In 1961 tax credits of \$3.1 million were available, whereas in 1962 available tax credits were not significant.

Cost of goods sold at 78.6 per cent of sales improved from the 1961 level of 79.2 per cent. The improvement, despite unfavourable costs in France and Brazil, reflects the increased manufacturing efficiency now being achieved worldwide and the higher volume base in the major factories which was experienced in 1962.

Depreciation, and amortization of production tooling, mostly included in cost of goods sold, was \$20.2 million for the year, an increase of \$1.1 million from 1961. In the aggregate, depreciation, and amortization of production tooling has ranged from 9% to 10% of gross fixed assets in each of the last three years.

Marketing, general and administrative expenses of \$78.3 million were up substantially from last year's total of \$68.5 million. The increase resulted from the consolidation of the new South African and Perkins France companies together with normal increases in those expenses necessarily incurred to sustain substantially higher sales volumes on a world basis.

Engineering expenses of \$14.0 million, up nearly \$1 million from 1961, reflect the continuing emphasis on new product development and improved machine design.

Interest expense totalling \$17.1 million increased \$2.0 million in 1962, the increase being more than offset by higher interest and finance charges earned, mostly in the North American finance companies.

FINANCING

During 1962 the subsidiary holding company in the United Kingdom extended to November, 1965 a £10 million bank loan which was originally due for payment in November, 1963.

On December 27, 1962, the Company's United States subsidiary, Massey-Ferguson Inc., concluded arrangements for an issue of \$35.0 million of promissory notes maturing December 1, 1982 with principal payments commencing July 1, 1966. The financing included a refunding of the 1962 year-end debt of \$11.0 million.

On January 14, 1963 announcement was made of an offering to holders of common shares which will entitle the holders to subscribe for one additional common share at \$10 per share for each ten common shares held. Reference to

this announcement is made in detail on page 7 of the Report of the Directors to the Shareholders.

WORKING CAPITAL

Working capital at October 31, 1962 was \$189.7 million, an increase of \$10.3 million from the 1961 year-end position.

Gross funds made available in the year were \$48.6 million, of which \$38.3 million was obtained through cash flow from operations. The current ratio of 1.9 to 1 was maintained.

Aggregate receivables of \$192.5 million were up \$10.2 million from last year, indicative of the addition of new operations to the consolidation this year and, in part, higher exchange rates applicable to the translation of foreign currency accounts receivable. Of the notes and accounts receivable outstanding at the 1962 year-end, approximately 17 per cent mature beyond one year as compared with 14 per cent at the end of 1961. In the aggregate, however, receivables at the end of 1962 at 32.3 per cent of 1962 sales improved relative to the 1961 closing position of 35.1 per cent of 1961 sales.

Inventories at \$193.3 million were up \$15.1 million from the October 31, 1961 level. The increase arose wholly from the consolidation of new companies in South Africa and France and from higher exchange rates applicable to the translation of foreign currency inventories.

Short term borrowings from banks and others at October 31, 1962 were \$80.0 million, exclusive of short term borrowings of \$59.0 million by the finance companies. The borrowing position of the consolidated manufacturing companies was held at the same level as 1961 in the face of substantially increased activity in 1962 and despite the higher exchange factor applicable to the consolidation of foreign currencies. In the finance companies an increase of \$9.5 million in short term borrowings followed the higher level of machinery purchases being financed for North American users.

The table on page 11 illustrates the sources and uses of working capital since 1956.

SOURCE AND USE OF FUNDS (MILLIONS OF DOLLARS)

SOURCE OF FUNDS	1962	1961	1960	1959	1958	1957	1956
Net income (loss) for the year	\$18.1	\$15.2	\$13.2	\$21.0	\$13.0	\$ (4.7)	\$ 3.1
Depreciation, and amortization of production tooling	20.2	19.1	18.8	12.1	8.6	8.4	7.1
TOTAL CASH FLOW	38.3	34.3	32.0	33.1	21.6	3.7	10.2
Reduction in investment in subsidiary and associated companies	1.4	0.5		9.0			
Net book value of fixed asset disposals	1.5	1.8	3.2	1.7	3.1	1.1	1.0
Increase in deferred income taxes		1.7	4.2	0.9			
Increase in long term debt and minority interest in subsidiaries	7.2	6.1	1.5	31.0	0.2	2.2	27.3
Issue of preferred and common shares, less expenses of issue	0.2	0.9	0.1	25.4	0.1		
TOTAL	\$48.6	\$45.3	\$41.0	\$101.1	\$25.0	\$ 7.0	\$38.5
USE OF FUNDS							
Additions to fixed assets, including assets of acquired companies	\$21.6	\$25.7	\$16.9	\$68.9	\$16.3	\$12.2	\$14.7
Reduction in long term debt and minority interest in subsidiaries	5.0	4.5	4.8	5.1	4.3	2.8	1.0
Payment of preferred share dividends	1.4	1.4	1.4	1.1	1.1	1.1	1.1
Payment of common share dividends	4.9	4.9	4.8	4.7	3.8	3.8	4.8
Increase in investment in associated companies			2.1		2.4	0.4	5.6
Increase in investment in North American finance companies	4.1	2.3	9.5				
Transfer from deferred income on sales to dealers							1.4
Decrease in deferred income taxes	0.8						
Other	0.5	2.7	0.7			0.6	0.3
TOTAL	\$38.3	\$41.5	\$40.2	\$79.8	\$27.9	\$20.9	\$28.9
Increase (decrease) in working capital	10.3	3.8	0.8	21.3	(2.9)	(13.9)	9.6
TOTAL	\$48.6	\$45.3	\$41.0	\$101.1	\$25.0	\$ 7.0	\$38.5

ASSETS EMPLOYED

Total assets employed at October 31, 1962 were \$533.5 million, a growth of \$25.6 million in the year. Of total assets, approximately 42 per cent was financed by shareholder equity, 2 per cent by minority shareholders, 17 per cent through long term borrowings, and the remainder through short term borrowings and payables.

The geographical distribution of total assets employed is illus-

trated in the table on page 12. In North America, an assets turnover rate of 90 per cent in 1962, while substantially improved from the 1961 rate of 80 per cent, is indicative of the lengthy conversion cycle of raw materials to cash in a market where the trend toward extended credit has continued. The problem in Europe, while similar, is less pronounced, and assets were turned over at the rate of 115 per cent in 1962, well ahead of last year's rate of 103 per cent.

The 1962 increase in assets employed in Africa

resulted from the consolidation of the companies in South Africa whose shares were in process of being acquired at the 1961 year-end. The increase in Asia reflects the acquisition

in 1962 of a 49 per cent interest in Tractors and Farm Equipment Limited, the company which purchased the assets of Massey-Ferguson (India) Limited in 1961.

GEOGRAPHICAL DISTRIBUTION OF ASSETS EMPLOYED (MILLIONS OF DOLLARS)

	1962	1961	1960	1959	1958
EUROPE	\$233.8	\$228.4	\$184.3	\$173.6	\$ 95.6
NORTH AMERICA	230.5	234.5	237.6	263.2	183.3
AUSTRALIA	29.6	28.0	28.1	23.9	26.1
AFRICA	20.2	4.1	3.3	3.5	3.9
SOUTH AMERICA	18.3	12.7	4.1	0.5	0.4
ASIA	1.1	0.2	0.6	0.6	0.6
TOTAL	\$533.5	\$507.9	\$458.0	\$465.3	\$309.9

CAPITAL EXPENDITURE

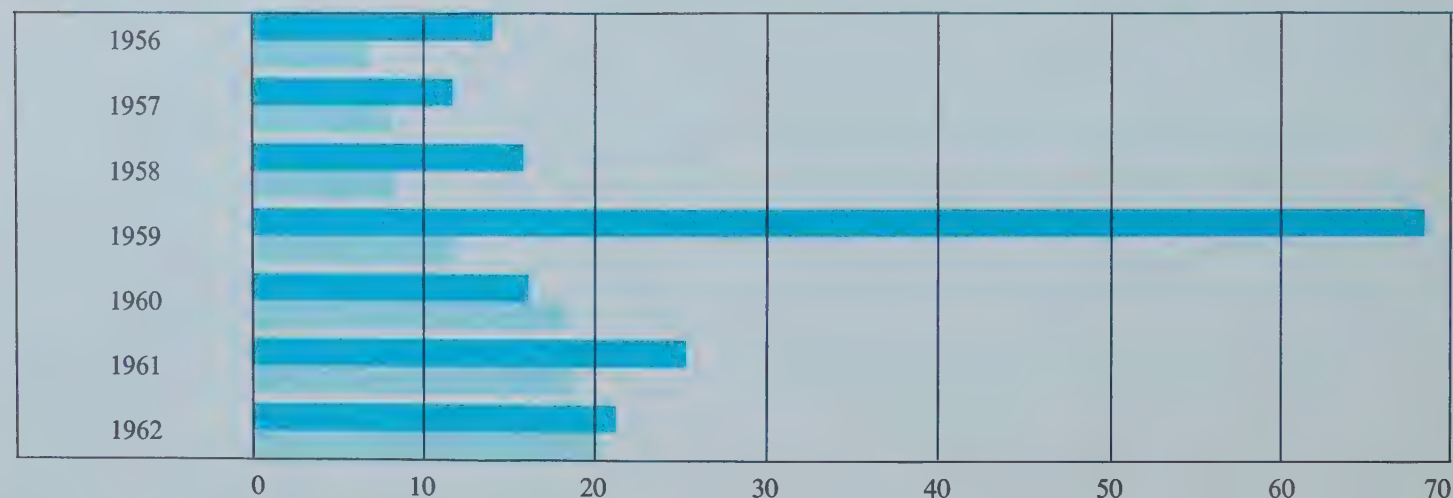
Expenditures on fixed assets and capitalized production tooling totalled \$21.6 million in 1962, including acquisitions at net book values of fixed assets of the new companies in South Africa and France. Expenditures, largely in respect of improved facilities and tooling to reduce manufacturing costs and maintain high quality production of new products, were for the most part in North America and the United Kingdom. Included were initial expenditures on the new combine manufacturing plant at Brantford, Ontario.

Depreciation, and amortization of production tooling in 1962 were \$20.2 million and are estimated at \$21 million in 1963.

Capital expenditure in the 1963 fiscal year is estimated at about \$24 million, the higher level of expenditure reflecting the construction of new and improved facilities previously referred to, and continuation of the program of achieving high levels of manufacturing efficiency and cost savings world-wide.

ADDITIONS TO FIXED ASSETS (INCLUDING ASSETS OF ACQUIRED COMPANIES) ■ DEPRECIATION, AND AMORTIZATION OF PRODUCTION TOOLING ■

(MILLIONS OF DOLLARS)



Massey-Ferguson Limited

STATEMENT OF CONSOLIDATED INCOME

Year ended October 31, 1962 (with comparative figures for 1961)



	1962	1961
Sales and other income:		
Net sales.....	\$596,097,449	\$519,314,961
Interest and finance charges earned, etc.....	10,583,621	7,773,666
Profit on disposal of capital assets.....	1,669,665	1,440,083
Total sales and other income.....	<u>\$608,350,735</u>	<u>\$528,528,710</u>
Deduct:		
Cost of goods sold.....	\$468,306,757	\$411,088,987
Marketing, general and administrative expenses.....	78,275,912	68,528,666
Engineering expenses.....	14,007,272	13,097,008
Interest on long term debt.....	5,066,054	5,125,133
Interest on bank and other short term debt.....	12,005,248	9,946,383
Exchange adjustments.....	(2,439,380)	(4,762,895)
Minority interest.....	733,007	238,388
	<u>\$575,954,870</u>	<u>\$503,261,670</u>
Profit before income taxes.....	\$ 32,395,865	\$ 25,267,040
Income taxes.....	14,321,771	10,020,119
Net income for the year.....	<u>\$ 18,074,094</u>	<u>\$ 15,246,921</u>

SUPPLEMENTARY INFORMATION

The following amounts were paid during the year ended October 31, 1962 to the directors, executive officers and solicitors of the Parent Company: Fees to directors not holding salaried employment \$38,378; remuneration to executive officers including directors holding salaried employment, and to the Company's solicitors \$974,935.

An amount of \$3,100,000 shown separately in the 1961 income statement as "tax credits" has been netted against "income taxes" in the 1961 comparative figures shown this year.

Depreciation, and amortization of production tooling included above amounted to \$20,235,896 in 1962 and \$19,130,421 in 1961.

STATEMENT OF CONSOLIDATED RETAINED EARNINGS

Year ended October 31, 1962 (with comparative figures for 1961)

Balance at beginning of year.....	\$125,154,668	\$116,186,510
Add net income for the year.....	18,074,094	15,246,921
	<u>\$143,228,762</u>	<u>\$131,433,431</u>
Deduct:		
Dividends on preferred shares.....	\$ 1,402,350	\$ 1,418,313
Dividends on common shares (40¢ per share).....	4,901,413	4,860,450
	<u>\$ 6,303,763</u>	<u>\$ 6,278,763</u>
Balance at end of year.....	<u>\$136,924,999</u>	<u>\$125,154,668</u>

(See accompanying notes to financial statements)



Massey-Ferguson

CONSOLIDATED

October 31, 1962 (with comparative figures for 1961)

ASSETS

CURRENT:

	1962	1961
Cash.....	\$ 3,961,599	\$ 6,684,456
Receivables (less allowances and unearned interest — Note 2).....	192,537,653	182,309,921
Inventories, valued at the lower of cost or market —		
Raw materials and work in process.....	82,896,259	76,190,635
Finished goods.....	110,394,483	102,015,137
	<u>\$193,290,742</u>	<u>\$178,205,772</u>
Prepaid expenses, etc.....	3,843,275	3,909,577
TOTAL CURRENT ASSETS.....	<u>\$393,633,269</u>	<u>\$371,109,726</u>

INVESTMENTS (shares and advances):

Wholly owned finance companies, at equity value (Note 1).....	\$ 15,924,436	\$ 11,824,690
Associated companies, at cost.....	1,758,430	490,938
Subsidiary company not consolidated, at cost.....		2,650,559
	<u>\$ 17,682,866</u>	<u>\$ 14,966,187</u>

FIXED:

Land.....	\$ 5,279,284	\$ 5,165,894
Buildings.....	63,269,552	59,186,826
Machinery and equipment.....	139,482,385	129,660,149
Production tooling.....	12,851,673	11,574,166
Total fixed assets, at cost.....	<u>\$220,882,894</u>	<u>\$205,587,035</u>
Less accumulated depreciation and amortization.....	104,087,465	88,717,303
	<u>\$116,795,429</u>	<u>\$116,869,732</u>

OTHER ASSETS AND DEFERRED CHARGES.....	<u>\$ 5,415,832</u>	<u>\$ 4,984,376</u>
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On behalf of the Board:

W. Eric Phillips, Director

Albert A. Thornbrough, Director

\$533,527,396 \$507,930,021

son Limited

BALANCE SHEET

(All figures at October 31, 1961)



LIABILITIES

CURRENT:

Bank loans and overdrafts.....	
Short term notes payable.....	
Accounts payable and accrued charges.....	
Income, sales and other taxes payable.....	
Dividends payable.....	
Advance payments from customers.....	

TOTAL CURRENT LIABILITIES.....

DEFERRED INCOME TAXES.....

LONG TERM DEBT:

Bonds, debentures, notes and loans (Note 6).....	
Less instalments maturing within one year, included with accounts payable and accrued charges.....	

MINORITY INTEREST IN SUBSIDIARIES.....

CAPITAL AND RETAINED EARNINGS:

Authorized share capital —	
500,000 preferred shares, par value \$100 each	
20,000,000 common shares without nominal or par value	

Outstanding (Note 3) —

Cumulative convertible preferred shares	
4½% redeemable at \$104.50 (1962 — 4,839 shares; 1961 — 9,610 shares).	
5½% 1959 series — redeemable at \$105.50 (1962 — 249,995 shares; 1961 — 250,000 shares).....	
Common shares (1962 — 12,268,599 shares; 1961 — 12,200,868 shares).....	
Contributed surplus.....	
Retained earnings (Note 4).....	

1962

1961

\$ 59,804,289	\$ 57,567,154
20,220,000	22,500,000
92,464,799	93,075,266
23,683,916	10,419,303
1,576,047	1,574,751
6,140,076	6,558,371
<u>\$203,889,127</u>	<u>\$191,694,845</u>
<u>\$ 6,037,178</u>	<u>\$ 6,789,756</u>
\$ 94,452,279	\$ 95,835,142
4,338,983	4,246,087
<u>\$ 90,113,296</u>	<u>\$ 91,589,055</u>
<u>\$ 10,666,902</u>	<u>\$ 7,050,548</u>
\$ 483,900	\$ 961,000
24,999,500	25,000,000
58,626,521	57,904,176
1,785,973	1,785,973
136,924,999	125,154,668
<u>\$222,820,893</u>	<u>\$210,805,817</u>
<u>\$533,527,396</u>	<u>\$507,930,021</u>

(See accompanying notes to financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended October 31, 1962

1. BASIS OF CONSOLIDATION AND EXCHANGE TRANSLATION

The accompanying financial statements consolidate the accounts of all subsidiary companies with the exception of the two wholly owned finance companies in North America, a combined statement of assets and liabilities of which appears on page 19. The investment in such companies is carried in the consolidated balance sheet at their underlying equity value; their earnings have been taken up in the accompanying statement of consolidated income.

The 1962 statements include the accounts of Massey-Ferguson (South Africa) Limited (approximately 54% owned). The interest in this company was carried in the 1961 balance sheet as an investment pending completion of certain acquisitions and related financial reorganization. Also included for the first time in 1962 is Société Française des Moteurs Perkins, 51% of the issued share capital of which was acquired during the year (the other 49% having been acquired previously).

The assets, liabilities, income and expenses of United States companies are included in the consolidated statements on the basis of U.S. \$1 = Can. \$1. In the case of all other companies, translation into Canadian dollars has been effected as follows: current assets and current liabilities at exchange rates prevailing at October 31; investments, fixed assets, long term liabilities and depreciation provisions on the basis of rates prevailing at date of acquisition or issue; income and expenses (other than depreciation provisions) at average exchange rates in effect during the period.

Effective with the beginning of the 1963 fiscal year the company proposes to change its translation procedures so as to include the current assets, liabilities, income and expenses of United States companies at current rates (rather than on the basis of U.S. \$1 = Can. \$1), and to restate long term liabilities of all companies at current rates (rather than at rates prevailing at date of acquisition or issue). It is proposed that the net credit resulting from this change will be transferred directly to "retained earnings".

2. RECEIVABLES

Receivables are shown net of the following provisions —

	1962	1961
Returns and allowances.	\$12,682,585	\$12,819,626
Unearned interest.	832,061	1,164,340
Total.	<u>\$13,514,646</u>	<u>\$13,983,966</u>

Approximately \$31,000,000 or 17% of the 1962 notes and accounts receivable mature beyond one year. The receivable balances shown include the following amounts due from the North American finance companies: 1962 — \$4,983,355; 1961 — \$7,990,796.

3. SHARE CAPITAL CHANGES, STOCK OPTIONS AND RESERVATION OF SHARES

During the year 29,812 common shares were issued for cash under employee options (12,312 at \$6.50 per share, 5,000 at \$8.25 per share and 12,500 at \$10.02 per share); 721 common shares were issued at a value of \$10,692 as the balance of the exchange offer for the shares of Tractor and Farm Tools Limited (one of the South African companies acquired by Massey-Ferguson (South Africa) Limited in 1961); 37,168 common shares were issued on conversion of 4,646 4½% preferred shares and 30 common shares were issued on conversion of 5 5½% preferred shares. 125 4½% preferred shares were purchased for redemption.

There were no employee options outstanding at October 31, 1962; those outstanding at October 31, 1961 were all exercised during the year. 1,283,848 unissued common shares are reserved for possible issue on conversion of cumulative convertible preferred shares.

4. DIVIDEND RESTRICTIONS

The trust indentures relating to the long term debt of the Canadian company and the trust indentures and loan agreements of certain of the subsidiary companies contain certain restrictions on the payment of dividends. Under the most

restrictive of these approximately \$45,000,000 of consolidated retained earnings at October 31, 1962 is not available for the payment of dividends on common shares. Of the remainder, approximately \$47,000,000 represents the unrestricted portion of profits of various subsidiary companies outside North America which have not been remitted to Canada. Transfers of earnings from such companies are generally subject to the approval of exchange control authorities, but permission to pay dividends is normally obtainable.

Dividend payments from subsidiaries in a number of countries are subject to withholding taxes. As the amount of earnings which will be transferred in the future and the rates which will be applicable at that time are not known, such taxes are reflected in consolidated earnings only at the time of actual dividend remittance.

Of consolidated retained earnings, an amount of \$46,890 is designated as a "capital surplus" under the provisions of Section 61 of the Companies Act (Canada).

5. CONTINGENT LIABILITIES, COMMITMENTS, ETC.

(a) Contingent liabilities: Bills under discount—\$42,000,000; Guarantees of short term notes payable by North American finance companies — \$21,750,000.

(b) Capital expenditure commitments outstanding at October 31, 1962 total approximately \$10,000,000.

(c) Pension costs (including payments to trustees on behalf of employees covered by trustee pension plans) are charged against income in the year of payment. Past service costs in most trustee plans are being funded or amortized over periods not exceeding 30 years.

(d) The Canadian and United States companies have been named defendants in actions brought by third parties charging violation of United States anti-trust laws and claiming triple damages aggregating approximately \$2,800,000. In the opinion of United States counsel for the companies, such actions can be successfully defended.

6. LONG TERM DEBT

	October 31, 1962	October 31, 1961
Massey-Ferguson Limited (Canada):		
First mortgage sinking fund 3% bonds Series "A" maturing 1966.....	\$ 5,449,500	\$ 5,917,000
3¾%-5% Sinking fund debentures maturing 1967-76.....	28,176,000	30,955,000
Massey-Ferguson Inc. (U.S.A.):		
3¾%-4¼% Promissory notes maturing 1962-73.....	11,000,000	11,800,000
Massey-Ferguson Holdings Limited (United Kingdom):		
6% Bank Loan due 1965 (interest charged at 1½% above Bank of England rediscount rate with the provision that the minimum interest rate shall not be less than 5½%)..	26,530,000	26,530,000
Massey-Ferguson (United Kingdom) Limited:		
3½%-5% Guaranteed debenture stock maturing 1972 (subject to sinking fund).....	1,565,782	1,619,853
F. Perkins Limited (United Kingdom):		
4½% First mortgage debenture stock maturing 1971 (subject to sinking fund).....	3,018,318	3,155,151
Massey-Ferguson S.A. (France):		
6%-7% Loans maturing 1962-75.....	8,465,115	8,970,100
Massey-Ferguson G.m.b.H. (Germany):		
2½%-7% Loans maturing 1962-74.....	1,180,379	1,338,413
Massey-Ferguson (Australia) Limited:		
5¾% First mortgage debenture stock maturing 1970.....	5,549,625	5,549,625
Massey-Ferguson (South Africa) Limited:		
6¼%-6½% Loans maturing 1964-67.....	1,500,000	
7% Convertible debentures maturing 1967-81.....	1,297,200	
Mototraco-Maquinas e Motores Limitada (Brazil):		
5½% Bank loan maturing 1964.....	720,360	
	<u>\$94,452,279</u>	<u>\$95,835,142</u>

Clarkson, Gordon & Co.
Chartered Accountants
Toronto, 1
CANADA

To the Shareholders of
Massey-Ferguson Limited:

We have examined the consolidated balance sheet of Massey-Ferguson Limited and its consolidated subsidiaries as at October 31, 1962, and the statements of consolidated income and retained earnings for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us, and as shown by the books of the companies, the accompanying consolidated balance sheet and statements of consolidated income and retained earnings are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at October 31, 1962 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We also report that, in our opinion, the information required under Section 118 of the Companies Act (Canada) is correctly stated in Note 1 to the financial statements.

Toronto, Canada,
December 14, 1962.

Clarkson, Gordon & Co.
Chartered Accountants.

**MASSEY-FERGUSON FINANCE COMPANY OF CANADA LIMITED
AND
MASSEY-FERGUSON FINANCE CORPORATION**

COMBINED STATEMENT OF ASSETS AND LIABILITIES

October 31, 1962 (with comparative figures at October 31, 1961)

ASSETS

Cash.....	
Retail notes receivable (less allowances and unearned interest — Note 3).....	
Discount on notes payable.....	

LIABILITIES

Short term notes payable — Banks.....	
— Others.....	
Accrued charges.....	
Deferred income taxes.....	
Current accounts payable to Massey-Ferguson Limited and Massey-Ferguson Inc...	
Equity of Massey-Ferguson Limited and its subsidiaries:	
Interest bearing notes payable (subordinated).....	
Share capital.....	
Accumulated profits or (losses) (Note 2).....	

1962

1961

\$ 55,162	\$ 1,999,769
81,105,804	67,784,352
289,645	156,278
<u>\$81,450,611</u>	<u>\$69,940,399</u>
\$37,250,000	\$47,000,000
21,750,000	2,500,000
527,820	489,913
1,015,000	135,000
4,983,355	7,990,796
<u>\$65,526,175</u>	<u>\$58,115,709</u>
\$ 4,000,000	\$ 1,000,000
11,001,100	11,001,100
15,001,100	12,001,100
923,336	(176,410)
<u>\$15,924,436</u>	<u>\$11,824,690</u>
<u>\$81,450,611</u>	<u>\$69,940,399</u>

Notes:

1. The above statement combines the accounts of Massey-Ferguson Finance Company of Canada Limited and Massey-Ferguson Finance Corporation (U.S.A.). The assets and liabilities of the United States company are included on the basis of U.S. \$1 = Can. \$1.

2. While the books of both companies are maintained, and their tax returns are filed, on a cash receipt and disbursement method, the above combined statement of assets and liabilities incorporates adjustments to reflect the financial position of the companies on an

accrual basis of accounting (including a provision for deferred income taxes).

3. Approximately \$41,000,000 or 46% of the notes receivable mature beyond one year. Receivables are shown net of the following provisions —

	1962	1961
Unearned interest.....	\$8,153,632	\$7,224,846
Allowance for doubtful accounts.....	1,750,000	1,650,000
	<u>\$9,903,632</u>	<u>\$8,874,846</u>

AUDITORS' REPORT

To the Shareholders of
Massey-Ferguson Limited:

We have examined the combined statement of assets and liabilities of Massey-Ferguson Finance Company of Canada Limited and Massey-Ferguson Finance Corporation as at October 31, 1962. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying statement presents fairly the combined assets and liabilities of Massey-Ferguson Finance Company of Canada Limited and Massey-Ferguson Finance Corporation as at October 31, 1962 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
December 14, 1962.

Clarkson, Gordon & Co
Chartered Accountants.

NET SALES BY TERRITORIES (MILLIONS OF DOLLARS)

TERRITORIES	1962		1961		1960		1959		1958		1957		1956	
	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total
NORTH AMERICA														
Canada	62.8	11	52.5	10	61.8	13	55.6	12	40.3	10	41.5	11	45.0	13
United States	145.1	24	136.7	26	144.4	29	162.1	34	130.3	31	89.5	23	98.0	27
Total	207.9	35	189.2	36	206.2	42	217.7	46	170.6	41	131.0	34	143.0	40
EUROPE														
United Kingdom	78.7	13	76.3	15	65.6	13	69.3	15	56.5	13	49.8	13	38.5	11
France	71.7	12	62.3	12	56.0	11	63.7	13	79.0	19	87.7	22	68.7	19
Germany	38.9	7	34.2	7	20.3	4	15.0	3	10.1	2	9.6	2	7.0	2
Scandinavia	37.9	6	31.7	6	22.5	5	18.5	4	16.0	4	18.5	5	16.4	5
Italy	14.5	2	7.6	1	3.3	1	1.9	—	2.2	—	2.8	1	1.9	—
Austria	6.0	1	4.6	1	3.6	1	2.1	—	3.6	1	2.6	1	1.1	—
Yugoslavia	2.7	1	5.1	1	11.1	2	8.3	2	6.7	2	5.8	1	3.3	1
Other European Countries	17.9	3	12.4	2	8.7	2	8.0	2	7.2	2	6.7	2	5.8	2
Total	268.3	45	234.2	45	191.1	39	186.8	39	181.3	43	183.5	47	142.7	40
AUSTRALIA, NEW ZEALAND ETC.														
Australia	35.8	6	31.1	6	33.9	7	27.6	6	25.6	6	25.8	7	27.4	8
New Zealand	2.4	1	3.2	1	3.6	1	1.8	—	1.9	1	6.9	2	2.7	1
South Pacific	0.5	—	0.4	—	0.4	—	0.4	—	0.3	—	0.3	—	0.2	—
Total	38.7	7	34.7	7	37.9	8	29.8	6	27.8	7	33.0	9	30.3	9
AFRICA														
Republic of South Africa	22.0	4	11.8	2	10.5	2	7.1	2	10.4	2	14.7	4	11.0	3
Algeria	0.9	—	2.3	1	4.8	1	4.3	1	3.8	1	2.6	—	2.1	—
Other African Countries	8.3	1	6.2	1	8.1	2	7.0	1	5.8	1	7.0	2	5.9	2
Total	31.2	5	20.3	4	23.4	5	18.4	4	20.0	4	24.3	6	19.0	5
LATIN AMERICA														
Brazil	10.7	2	5.8	1	2.1	—	0.2	—	2.4	1	1.6	—	2.3	1
Other Latin American Countries	15.3	2	12.9	3	10.8	2	8.0	2	7.1	1	8.2	2	8.7	2
Total	26.0	4	18.7	4	12.9	2	8.2	2	9.5	2	9.8	2	11.0	3
ASIA														
India	4.1	1	5.4	1	8.1	2	3.3	1	3.1	1	3.5	1	3.1	1
Other Asian Countries	19.9	3	16.8	3	10.8	2	11.3	2	7.9	2	5.7	1	6.0	2
Total	24.0	4	22.2	4	18.9	4	14.6	3	11.0	3	9.2	2	9.1	3
TOTAL	596.1	100	519.3	100	490.4	100	475.5	100	420.2	100	390.8	100	355.1	100

NET SALES BY QUARTERS (MILLIONS OF DOLLARS)

3 MONTHS ENDED	1962		1961		1960		1959		1958		1957		1956	
	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total
January 31	96.6	16	86.8	17	87.9	18	82.5	17	74.5	18	65.0	17	60.8	17
April 30	167.2	28	141.8	27	133.1	27	142.8	30	124.1	30	110.4	28	99.3	28
July 31	154.1	26	133.7	26	131.2	27	137.7	29	119.3	28	125.6	32	107.1	30
October 31	178.2	30	157.0	30	138.2	28	112.5	24	102.3	24	89.8	23	87.9	25
Total	596.1	100	519.3	100	490.4	100	475.5	100	420.2	100	390.8	100	355.1	100

NET SALES BY PRODUCTS (MILLIONS OF DOLLARS)

PRODUCTS	1962		1961		1960		1959		1958		1957		1956	
	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total	Amount \$	% of Total
Tractors	286.4	48	243.1	47	221.4	45	215.3	46	193.0	46	188.5	48	157.7	45
Grain Harvesting Equipment	83.8	14	84.4	16	86.4	17	100.5	21	96.4	23	88.3	23	80.2	23
Diesel Engines	70.8	12	52.4	10	47.7	10	24.6	5						
Hay Harvesting Equipment	29.8	5	26.0	5	28.7	6	29.5	6	27.1	6	16.3	4	15.5	4
Other Products	62.5	11	58.1	11	57.5	12	56.7	12	58.7	14	55.8	14	61.9	17
Parts	62.8	10	55.3	11	48.7	10	48.9	10	45.0	11	41.9	11	39.8	11
Total	596.1	100	519.3	100	490.4	100	475.5	100	420.2	100	390.8	100	355.1	100

Massey-Ferguson Limited

SUBSIDIARIES AND

AFRICA

REPUBLIC OF SOUTH AFRICA

MASSEY-FERGUSON (SOUTH AFRICA) LIMITED
Steel Road, Vereeniging, South Africa.

Directors: Col. K. Rood, Chairman; Dr. L. B. Knoll, Managing Director; J. W. Beith (alternate R. Ramsay); C. H. Brink (alternate R. R. A. Champion); A. A. Thornbrough (alternate R. D. Harris); K. C. Tiffany (alternate F. G. Brand); J. G. F. van der Merwe (alternate C. J. F. Human); G. J. van Zyl (alternate J. H. Smit).

SOUTH AFRICAN FARM IMPLEMENT MANUFACTURERS LIMITED

Steel Road, Vereeniging, South Africa.

Directors: Col. K. Rood, Chairman; Dr. L. B. Knoll, Managing Director; C. H. Brink (alternate C. J. F. Human); W. B. Coetzer (alternate J. H. Smit); R. D. Harris; R. Ramsay.

VEREENIGING, (369,500 sq. ft.)—Maize Harvesters; Plows; Harrows; Cultivators; Tillers; Disc Terracers; Rotary Hoes; Maize, Cotton and Peanut Planters; Ridgers; Bean Lifters; Toolbars; Earth Scoops; Subsoilers; Multi-purpose Blades; Combination Cutter Hammermills; Rotary Cutters; Animal Draft Implements; Hay Rakes.

PRODUCTS SUBCONTRACTED—Reversible Plows; Forage Harvesters; Trailers; Bulldozers; Seeder Attachments.

CENTRAL AFRICAN FEDERATION

RHODESIAN PLOUGH & MACHINERY COMPANY (1948) LIMITED
Bulawayo, Southern Rhodesia.

Directors: Sir H. T. Low, Chairman; D. J. Divett, Manager; F. G. Brand; Dr. L. B. Knoll; J. W. Phillips; R. Ramsay; L. Rothschild (alternate J. Gilchrist); S. H. Veats.

BULAWAYO, (55,500 sq. ft.)—Animal Draft Implements; Hoes.

AUSTRALIA

MASSEY-FERGUSON HOLDINGS (AUSTRALIA) LIMITED
2 Devonshire Road, Sunshine, Victoria, Australia.

Directors: W. E. Phillips, Chairman; H. P. Weber, Deputy Chairman and Managing Director; J. M. Baillieu; J. C. Guest; R. R. Law-Smith; J. A. McDougald; E. P. Taylor; A. A. Thornbrough; C. A. Watts.

MASSEY-FERGUSON (AUSTRALIA) LIMITED
2 Devonshire Road, Sunshine, Victoria, Australia.

Directors: W. E. Phillips, Chairman; H. P. Weber, Deputy Chairman and Managing Director; J. K. Gaunt; G. R. Johnson; J. A. McDougald; J. H. Morison; A. A. Thornbrough; J. M. Vance; C. A. Watts.

MELBOURNE (Sunshine), (1,472,963 sq. ft.)—Headers (self-propelled and pull-type Combines); Sugar Cane Harvesters; Mowers; Drills; Balers; Hay Rakes; Heavy Duty Tillers; Cultivators; Harrows; Bale Loaders; Disc Plows; Spinner Broadcasters; Post Hole Diggers; Jib Cranes; Bulk Trailer Bins; Toolbar Planters; Earth Scoops; Multi-purpose Blades; Cordwood Saws; Scarifiers; Subsoilers; Transporters.

DANDENONG, (12,000 sq. ft.)—Assembly of Industrial Diesel Engines; Engine Reconditioning.

EUROPE

FRANCE

MASSEY-FERGUSON S.A.
56 Avenue Victor Hugo, Paris 16, France.

Directors: L. R. de Rosen, Président-Directeur Général; J. J. Chluski; Hotchkiss-Brandt; W. Lattman; W. E. Phillips; P. Richard; P. J. Roy; E. P. Taylor; A. A. Thornbrough; H. W. Waite; C. W. Webster; E. W. Young.

MARQUETTE-LEZ-LILLE (1,002,078 sq. ft.)—MF 830 and MF 892 Self-propelled Combines; Combine Presses; Hay Balers; Pick-up Presses; Mowers; Rakes; One-way Discs; Fertilizer Distributors; Cultivators; Castings for other Operations Units.

PARIS (St. Denis), (152,500 sq. ft.)—Diesel Engines.

BEAUVAIS, (360,000 sq. ft.)—MF 25, MF 35, MF 42 and MF 65 Agricultural Tractors.

PRODUCTS SUBCONTRACTED—Plows; Mowers; Cultivators; Harrows; Tillers; Subsoilers; Front End Loaders; Blade Terracers; Earth Scoops; Trailers; Compressors; One-Way Discs; Beet Lifters.

GERMANY

MASSEY-FERGUSON G.m.b.H.
Standplatz 23, Kassel, Germany.

Directors: E. W. Young, Chairman; W. Lattman, Deputy Chairman; W. Dittmeier; C. Frank; H. A. R. Powell; H. W. Waite.

ESCHWEGE, (544,486 sq. ft.)—MF 30, MF 31, MF 86 and 685 S Combines; Mounted Presses and Straw Choppers for Combines; Forage Harvesters; Harrows; Tillers; Roller Chain for industrial use in Domestic and Export Markets.

PRODUCTS SUBCONTRACTED—Mouldboard Plows; Mid-mounted Mowers; Loaders; Caliper Grabs; Mounted Winches; Forestry Equipment.

ITALY

LANDINI S.p.A.
viale IV Novembre, Reggio Emilia, Italy.

Directors: J. Landini, Chairman; Dr. F. Fadda, General Manager; A. A. Thornbrough, Vice President; J. W. Beith; G. Canepa; M. I. Prichard; J. H. Shiner.

FABBRICO, (380,000 sq. ft.)—R 3000, R 4500, R 7000 Agricultural Tractors; C 4000 Crawler-type Agricultural and Industrial Tractors (MF 44 and MF 244).

COMO, (115,000 sq. ft.)—Diesel Engines; Tractor components.

PRODUCTS SUBCONTRACTED—Dozers; Loaders; Rippers.

MASSEY-FERGUSON ITALIANA S.p.A.
23 via Fatebenefratelli, Milan, Italy.

Directors: J. W. Beith, Chairman; G. Canepa; Dr. F. Fadda; J. H. Shiner; H. W. Waite.

UNITED KINGDOM

MASSEY-FERGUSON HOLDINGS LIMITED
33 Davies Street, London, W.1., England.

Directors: W. E. Phillips, Chairman; E. W. Young, Deputy Chairman; H. A. R. Powell, Managing Director; The Marquess of Abergavenny; J. W. Beith; Lord Crathorne; G. A. Hunt; Sir Anthony Hurd; W. Lattman; W. W. Mawhinney; J. A. McDougald; F. A. Perkins; M. I. Prichard; E. P. Taylor; A. A. Thornbrough; H. W. Waite; I. J. Wallace; C. W. Webster.

MASSEY-FERGUSON (UNITED KINGDOM) LIMITED
Banner Lane, Coventry, England.

Directors: E. W. Young, Chairman; G. A. Hunt, Managing Director; H. J. Hebden; J. A. McDougald; W. E. Phillips; S. E. Spicer; E. P. Taylor; J. H. Taylor; A. A. Thornbrough; H. W. Waite; I. J. Wallace; C. W. Webster; Dr. B. F. Willetts; P. J. Wright.

KILMARNOCK, (746,322 sq. ft.)—MF 400, MF 500 and MF 788 Combines; Buck Rakes; Front End Loaders.

MANCHESTER, BARTON DOCK ROAD, (519,366 sq. ft.)—Mowers; Drills; Potato Harvesters; Fertilizer Distributors; Fertilizer Attachments; Manure Spreaders; Industrial Power Shovels and Diggers; Trailers.

COVENTRY, BANNER LANE, (1,128,849 sq. ft.)—MF 35 and MF 65 Agricultural Tractors; MF 65 Semi-industrial Tractor; MF 203 and MF 205 Industrial Tractors.

PRODUCTS SUBCONTRACTED—Plows; Disc Harrows; Cultivators; Tillers; Ridgers; Subsoilers; Post Hole Diggers; Potato Planters; Fertilizer Attachments; Weeders; Earth Scoops; Wood Saws; Fork Lifts; Winches; Dump Skips; Compressors; Transport Boxes; Transporters; Spinner Broadcasters; Weight Trays; Dumpers; Multi-purpose Blades; Rotary Cutters; Unit Seeders; Flexi-Harrows; Industrial Buckets.

MASSEY-FERGUSON-BUTLER LIMITED
33 Davies Street, London, W.1., England.

Directors: G. A. Hunt, Chairman; E. J. Howse, Managing Director; H. A. Edlund; J. A. Morgan; H. A. R. Powell; S. E. Spicer.
(Owned equally with Butler Manufacturing Company, Kansas City, Missouri, U.S.A.).

EIRE

MASSEY-FERGUSON (EIRE) LIMITED
134/135 Lower Baggot Street, Dublin, Eire.

Directors: G. A. Hunt, Managing Director; J. L. O'Hagan; W. M. Henderson; S. E. Spicer; H. W. Waite; B. E. Williams; P. J. Wright; E. W. Young.

LATIN AMERICA

ARGENTINA

COMPANIA MASSEY-FERGUSON S.R.L.
Balcarce, 340/48, Buenos Aires, Argentina.
Limited Partnership — No Directors.

PRODUCTS MANUFACTURED . . . Massey-Ferguson Limited

BRAZIL

MOTOTRAC-MAQUINAS e MOTORES LIMITADA
Avenida Sao Joao 473, Sao Paulo, Brazil.
Limited Partnership — No Directors.

MASSEY-FERGUSON DO BRASIL, S.A.
Avenida Sao Joao 473, Sao Paulo, Brazil.

Directors: J. E. Williams, Managing Director; J. P. Fernandes; J. B. P. de Almeida; Dr. Lelio de Toledo Piza e Almeida.

SAO PAULO, (59,000 sq. ft.)—MF 50 Tractor.

PRODUCTS SUBCONTRACTED—Disc Plows; Harrows.

MEXICO

MASSEY-FERGUSON DE MEXICO, S.A. DE C.V.
393 Paseo de la Reforma, Piso 6, Mexico, D.F. Mexico.

Directors: A. A. Thornbrough, President (alternate C. Klavins); N. E. Burgess; J. H. Shiner (alternate E. Hidalgo).

NORTH AMERICA

CANADA

MASSEY-FERGUSON LIMITED
915 King Street West, Toronto 3, Ontario.

TORONTO, (1,904,028 sq. ft.)—MF 35 and MF 72 Self-propelled and Pull-type Combines; MF 82, MF Super 92 and MF 300 Self-propelled Combines; Hay Balers; Pull-type Swathers; Corn Pickers; Pick-ups; Grain Boxes.

BRANTFORD, VERITY PLANT, (511,754 sq. ft.)—Mouldboard and Disc Plows; Chisel Plows; Disc Harrows; Spring Tooth Harrows; Subsoilers; Wide Level Disc Harrows; Mowers; Side Delivery Rakes.

BRANTFORD "M" FOUNDRY, (185,229 sq. ft.)—Castings for Massey-Ferguson plants.

WOODSTOCK, (304,800 sq. ft.)—Corn Head (converts Grain Combines into Corn Combines); Cultivators; Harrows; Rotary Hoes; Drills; Planters; Snow Blades; Mounted Tillers; Bedders; Listers; Manure Spreaders.

SUNSHINE OFFICE EQUIPMENT LIMITED

Sunshine Avenue, Waterloo, Ontario, Canada.

Directors: L. L. Lang, Chairman; J. W. Vingoe, President; J. A. McDougald; W. E. Phillips; J. G. Staiger; A. A. Thornbrough; K. C. Tiffany.

WATERLOO, (272,600 sq. ft.)—Full line of Modern Steel Office Furniture; Metal Partitions and Storage Equipment including Steel Shelving and Lockers; Kitchen Equipment; Steel Garage Doors.

MASSEY-FERGUSON FINANCE COMPANY OF CANADA LIMITED
915 King Street West, Toronto 3, Ontario.

A. A. Thornbrough, Chairman; D. A. Coape-Arnold, President.

UNITED STATES

MASSEY-FERGUSON INC.

12601 Southfield Road, Detroit, Michigan, U.S.A.

Directors: A. A. Thornbrough, Chairman; D. A. Coape-Arnold, President; R. W. Main, J. H. Shiner, J. G. Staiger, K. C. Tiffany; H. A. Wallace.

DETROIT, SOUTHFIELD ROAD, (518,427 sq. ft.)—Agricultural Tractors, including MF 35, MF 50, MF 65, MF 85, MF 88 and MF 90 Models; Industrial Tractors including MF 202, MF 203, MF 204, MF 205, MF 35 and MF 65 Utility Models; Self-propelled light industrial vehicles such as Tractor Shovel Loaders and Fork Lifts. Attachments for agricultural and light industrial tractors such as Backhoes, Front End Loaders, Multi-purpose Blades, Scarifier-Scrapers and Post Hole Diggers, Dozers.

DETROIT, KERCHEVAL AVENUE, (185,967 sq. ft.)—Transmissions and axles for North American Tractor Assembly Plant and components for other plants.

FOWLER, (68,572 sq. ft.)—Cultivators; Disc Harrows; Spring Tooth Harrows; Reversible Disc Plows; Tool Carriers; Fork Lifts; Utility and Terracer Blades.

PRODUCTS SUBCONTRACTED (NORTH AMERICA)—MF 95, MF 97 and MF 98 Tractors; Forage Choppers; Fertilizer Sowers; Soil Scoops; Self-Unloading and Farm Wagons; Straw Choppers; Rotary Cutters; Trenchers; Hay Packers; Windrow Turners; Bale Throwers; Manure Spreaders.

MASSEY-FERGUSON FINANCE CORPORATION

12601 Southfield Road, Detroit, Michigan, U.S.A.

A. A. Thornbrough, Chairman; D. A. Coape-Arnold, President.

EXPORT

MASSEY-FERGUSON (EXPORT) LIMITED

Banner Lane, Coventry, England.

Directors: E. W. Young, Chairman; W. W. Mawhinney, Managing Director; E. J. Davies; W. E. Phillips; W. Reed-Lewis; J. H. Shiner; H. W. Waite; I. J. Wallace.

PERKINS GROUP

F. PERKINS LIMITED

Peterborough, England.

Directors: M. I. Prichard, Managing Director; F. E. Collis; J. G. Dawson; T. H. R. Perkins; W. E. Phillips; A. A. Thornbrough; K. E. Woollatt; E. W. Young.

PETERBOROUGH, EASTFIELD, (785,040 sq. ft.)—High speed diesel engines for marine, automotive, agricultural and industrial purposes; Industrial Gas-turbines.

PETERBOROUGH, QUEEN ST., (120,510 sq. ft.)—Engine reconditioning.

PETERBOROUGH, WALTON, (169,500 sq. ft.)—Outboard Motors.

PERKINS ENGINES LIMITED

Peterscourt, Peterborough, England.

Directors: M. I. Prichard, Chairman; T. H. R. Perkins, Managing Director; J. M. G. Collins; J. G. Dawson; T. A. Read.

PERKINS OUTBOARD MOTORS LIMITED

Peterborough, England.

Directors: J. M. G. Collins; J. G. Dawson; T. H. R. Perkins; M. I. Prichard.

PERKINS GAS TURBINES LIMITED

Peterborough, England.

Directors: J. M. G. Collins; J. G. Dawson; C. Dykes; T. H. R. Perkins; M. I. Prichard.

F. PERKINS (AUSTRALIA) PROPRIETARY LIMITED

Princes Highway, Dandenong, Victoria, Australia.

Directors: C. R. Frearson, General Manager; J. M. G. Collins (alternate S. C. G. Macindoe); T. H. R. Perkins; P. J. V. Ramsden; M. I. Prichard.

F. PERKINS (SOUTH AFRICA) (PROPRIETARY) LIMITED

4 Simmonds Southway, Park Central, Johannesburg, South Africa.

Directors: A. H. Brink; E. V. Buchanan; J. M. G. Collins (alternate A. M. Cross); T. H. R. Perkins; M. I. Prichard.

SOCIETE FRANCAISE DES MOTEURS PERKINS

55 Boulevard Ornano, Saint Denis (Seine), France.

Directors: Paul Dehaynin, Président-Directeur Général; T. H. R. Perkins; M. I. Prichard; Emile Roche; Baron Roger; K. E. Woollatt.

F. PERKINS KUNDENDIENST G.m.b.H.

Aschaffenburg, Maximilianstrasse 12, West Germany.

THE PERKINS ENGINE COMPANY INCORPORATED

12345 Kercheval Avenue, Detroit, Michigan, U.S.A.

Directors: M. I. Prichard, President; J. P. Allan, Executive Vice-President; R. H. Jansa, General Manager; S. Harlan; T. H. R. Perkins.

MOTORES PERKINS S.A.

Avenida Wallace Simonsen 13, Sao Bernardo do Campo, State of Sao Paulo, Brazil.
Directors: Dr. M. Garcia Filho, Chairman; J. Winstanley, Managing Director; J. L. Cabello Campos; P. L. Kauffmann; J. M. Pinheiro Neto; Dr. P. Uchoa de Oliveira; J. W. Simonsen.

SAO PAULO, (150,000 sq. ft.)—Diesel Engines.

PERKINS S.p.A.

Via Pasquale Paoli 9A, Camerlata, Como, Italy.

Directors: Dr. F. Fadda; Dr. G. Parente; M. I. Prichard.

INTERNATIONAL GROUP

AGROTRAC A.G.

Gartenstrasse 2, Zug, Switzerland.

Directors: W. Lattman, Chairman; M. Spinner, Vice Chairman; Dr. C. Stucki; H. W. Waite.

MASSEY-FERGUSON INTERNATIONAL CORPORATION

Swiss Branch Office: Gubelstrasse 19, Zug, Switzerland.

Directors: W. Lattman, Chairman; Dr. C. Stucki; M. Spinner; J. P. Wleugel.

MASSEY-FERGUSON SERVICES N.V.

Pietermaaiweg 22C, Curacao, Netherlands Antilles.

Directors: J. J. A. Ellis; W. Lattman; H. J. Roefstra; J. F. Sonnett.

PRODUCTS MANUFACTURED

BY ASSOCIATE COMPANY

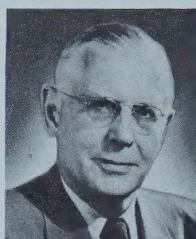
TRACTORS AND FARM EQUIPMENT LIMITED — MADRAS, INDIA, (67,500 sq. ft.)—MF 35 Tractor and implements.

SIGNIFICANT ACTIVITIES OF 1962

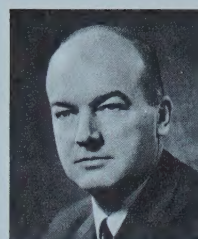
NEW DIRECTORS



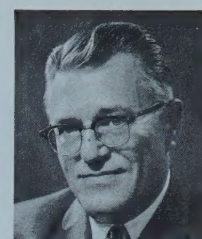
LORD CRATHORNE



HON. LESLIE M. FROST, Q.C.



J. D. LEITCH



K. C. TIFFANY

NOVEMBER 20, 1961 President Thornbrough and J. W. Beith, M-F Director Special Operations visited associated company in India, Tractors and Farm Equipment Limited, and then journeyed to Vereeniging, South Africa to announce formation of Massey-Ferguson (South Africa) Limited — with by far the largest percentage of the farm implement business in South Africa.

JANUARY 9, 1962 Two thousand United States dealers gathered at Palm Springs, California over a 2 week period to take part in the biggest single demonstration of farm and industrial products that the Company has ever undertaken.

JANUARY 24, 1962 President Thornbrough and five corporate division heads visited Brazil to officially open M-F's plant in Sao Paulo, and saw the first Brazilian manufactured tractor come off the assembly line.

MARCH 6-29, 1962 Canadian dealer organization previews 50 new and improved additions to industrial and farm equipment line for 1962 at four locations across Canada.

APRIL 11, 1962 At the famous Rand Easter Show in South Africa the company presented 50,000th imported M-F tractor to the Land Services Movement for use in a training and servicing program for teenage farm boys and girls.

MAY 14-18, 1962 First world-wide marketing conference in Toronto of 35 marketing and product planning managers.

MAY 18, 1962 A study group from Prince Philip's Second Commonwealth Conference visited company facilities in Brantford as part of their program "to assess the human consequences of a changing industrial environment."

MAY 24, 1962 President Thornbrough and R. A. Diez, General Manager, German Operations, visited M-F display at week-long D.L.G. Exhibition, Munich, Germany and met with representatives of the German financial and agricultural press.

JUNE 4-7, 1962 The President, members of corporate staff, general managers and product planning managers from 7 countries, participated in the third annual product planning conference, at Stoneleigh, near Coventry.

JUNE 7-8, 1962 J. J. Jaeger, Vice President Engineering chaired annual corporate engineering conference in Coventry attended by 20 executives from 8 countries, including directors of engineering, chief engineers, and corporate marketing and manufacturing personnel.

JUNE 25-29, 1962 Twenty-six executives from 7 countries assembled at Coventry for the company's second world-wide manufacturing conference to discuss common problems related to quality control, integrated planning, industrial and production engineering. H. A. Wallace, Vice President Manufacturing chaired the meeting.

AUGUST 12-20, 1962 President Thornbrough, J. H. Shiner, Vice President Marketing and W. W. Mawhinney, Managing Director, Export Operations visited distributors and dealers throughout the four Scandinavian countries where 1962 sales totalled \$38 million.

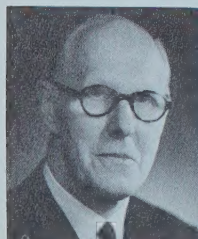
AUGUST 23, 1962 J. G. Staiger and G. A. Hunt, chief executives of North American and United Kingdom operations, exchanged messages on the world's first commercial relay via the Telestar satellite.

SEPTEMBER 5, 1962 F. Perkins Limited, world's largest manufacturer of diesel engines, announced construction of a new 400,000 square foot plant at Spennymoor in north-eastern England which will increase production capacity by 50 per cent.

OCTOBER 10, 1962 M-F's Brazilian tractor subsidiary, which began production earlier in the year, completed its 1000th Brazilian tractor. Engines are supplied by Motores Perkins S.A., an M-F controlled company which has produced engines in Sao Paulo for two years.

OCTOBER 12, 1962 Ground-breaking ceremony starts construction of the company's new combine assembly plant in Brantford, Canada on a 172 acre site. New plant will begin production early in 1964 and provide employment for between 700 and 900 persons.

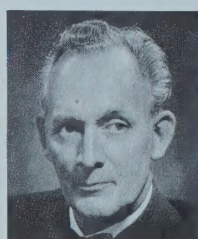
SENIOR APPOINTMENTS



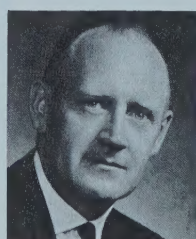
H. A. R. POWELL



J. G. STAIGER



W. LATTMAN



D. A. COAPE-ARNOLD



L. R. DE ROSEN



H. P. WEBER

Mr. Powell, Managing Director, Massey-Ferguson Holdings Limited, United Kingdom; born in England; Cambridge honour graduate; joined M-F in 1953; named Assistant to the President in 1959.

Mr. Staiger, Vice President Administration, Office of the President, Massey-Ferguson Limited; joined M-F in 1957 as Assistant to the President and successively named a Vice President and then General Manager North American Operations.

Mr. Lattman, Chairman and President, Massey-Ferguson International Corporation; Swiss by birth; previously Président-Directeur Général, French company and European General Manager from 1950 to 1954; a parent company Director.

Mr. Coape-Arnold, Vice President and General Manager, North American Operations; President, Massey-Ferguson Inc.; born in Western Canada; engineering and sales management experience in diesel engine, chemical and vegetable oils industries in U.S. and Canada.

Mr. de Rosen, Président-Directeur-Général, Massey-Ferguson S.A. (France); born in Sweden; educated in France; formerly senior executive in French automotive industry. Member of the Economic and Social Council of France.

Mr. Weber, Managing Director, Massey-Ferguson (Australia) Limited; Australian born; graduate M.Sc. from Melbourne University; senior management experience in chemical and textile fields.



ABOVE In September, F. Perkins Limited in the United Kingdom became the first company in the world to produce a million diesel engines for export. International flags and various engine models decorated the drive in front of the Peterborough factory in England to commemorate the occasion. Perkins estimated world-wide production in 1962 was 320,000 diesel engines while international sales, exclusive of those to Massey-Ferguson, were nearly \$71 million as compared to \$53 million in 1961.

BELOW Sales in South Africa during 1962 of \$22 million were nearly double those of 1961 (\$11.8 million), due in part to the consolidation of new companies for the first time and increased market penetration with products manufactured locally at Vereeniging. This South African scene in a flood-irrigated valley shows an MF35 tractor, powered by a Perkins engine, passing a field of young tobacco plants on its way home with the day's harvest of bagged grain.





This new MF300 self-propelled combine, of a similar family design to models successfully introduced in the United Kingdom during the 1962 season, is the latest addition to the company's complete line of harvesting machinery in North America. Capable of handling over 100 different field crops varying greatly in size, weight and physical characteristics—cereal grains, corn, soyabeans, rice, grain sorghums,

forage and vegetable seeds — this machine, with its 56 bus. grain tank, offers a wide range of finger-tip adjustments from centralized controls at the driver's seat. Winner of several corn picking contests, the MF300 Combine with MF22 Corn Head (above) gives a fast, easy, clean harvest. Where weather and crop conditions, labour and facilities permit, night-time combining (below) is a common practice in many areas.

